

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CRP-398

For: State and County Offices

CRP Cost-Share Policy Clarification

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Notice CRP-396 provides for cost-share policy clarification for water development and water facilities.

Because the policy limits cost-share for certain components by contract, questions have arisen concerning producers submitting multiple offers and COC's approving multiple contracts to avoid the cost-share limitations established in Notice CRP-396.

Further, cost-share for fencing was limited to the cost of a 3-strand barbed wire fence. Questions have arisen concerning the correct standard for a barbed wire fence.

B

Purpose

This notice provides guidance and clarification on policy for fencing and multiple offers and COC's approving multiple contracts to avoid cost-share limitations established in Notice CRP-396.

Disposal Date

September 1, 2002

Distribution

State Offices; State Offices relay to County
Offices and NRCS State Offices

2 Policy

A

Multiple Offers/Contracts

Concerns have arisen about producers submitting multiple offers, thereby requiring multiple contracts to circumvent the cost-share limitations per contract. Multiple offers and multiple contracts to avoid cost-share limitations are **not** authorized.

Example: A producer would like to install 3 water tanks, including applicable gravel apron and fencing. Each tank, including gravel apron, and fencing cost is estimated to cost \$1,500 each. Because the maximum of \$2,000 is eligible for cost-share, the producer could receive a maximum payment of \$2,000.

To avoid the cost-share limitation, the producer submits 2 separate offers on a portion of the acreage.

COC's shall **not** approve multiple CRP contracts for the same tract if COC determines the multiple contracts are to avoid the cost-share limitation.

Important: State Offices shall ensure that COC's follow the provisions of this notice.

B

Fencing

Notice CRP-396 provided that, for fencing, cost-share not exceed the STC- or COC-established cost for a 3-strand barb wire fence.

Review of cost-share rates for fencing found that the cost difference between a 3-strand barbed wire fence and a 4-strand barbed wire fence is minimal. Further, most States' minimum standard for fencing is a 4-strand barbed wire fence. Therefore, limitation for fencing is the STC- or COC-established cost-share rate for a 4-strand barbed wire fence.

C

NRCS Concurrence

NRCS has provided technical concurrence with this notice.
